

Minutes of the meeting of the Finance Committee of the Board of Directors of the Cook County Health and Hospitals System held Friday, September 20, 2019 at the hour of 8:30 A.M., at 1950 W. Polk Street, in Conference Room 5301, Chicago, Illinois.

## **I. Attendance/Call to Order**

Chair Reiter called the meeting to order.

Present: Chair Robert G. Reiter, Jr. and Directors Hon. Dennis Deer, LCPC, CCFC and David Ernesto Munar (3)

Directors Mary Driscoll, RN, MPH and Ada Mary Gugenheim

Absent: Director Mary B. Richardson-Lowry (1)

Additional attendees and/or presenters were:

Ekerete Akpan – Chief Financial Officer  
Charles Jones – Chief Procurement Officer  
Jeff McCutchan –General Counsel

Deborah Santana – Secretary to the Board  
John Jay Shannon, MD – Chief Executive Officer

## **II. Public Speakers**

Chair Reiter asked the Secretary to call upon the registered public speakers.

The Secretary responded that there were none present.

## **III. Action Items**

### **A. Minutes of the Finance Committee Meeting, August 23, 2019**

Director Munar, seconded by Director Deer, moved to accept the Minutes of the Finance Committee Meeting of August 23, 2019. THE MOTION CARRIED UNANIMOUSLY.

### **B. Contracts and Procurement Items (Attachment #1)**

Charles Jones, Chief Procurement Officer, provided an overview of the contractual requests presented for the Committee's consideration. The Committee reviewed and discussed the requests.

It was noted that seventeen (17) of the requests require review by Contract Compliance; review has been completed on seven (7) of the requests, so there are currently ten (10) requests that are pending review by Contract Compliance. Director Deer requested that the Committee be notified when the letters for the pending requests are received from Contract Compliance reflecting compliance with the County's Code on minority and women-owned business enterprise (M/WBE) goals, and provide details associated with each of the letters.

Director Munar, seconded by Director Deer, moved the approval of request numbers 1 through 19, subject to completion of review by Contract Compliance, where appropriate. THE MOTION CARRIED UNANIMOUSLY.

### **III. Action Items (continued)**

#### **C. Proposed Transfers of Funds (Attachment #2)**

Ekerete Akpan, Chief Financial Officer, provided an overview of the proposed Transfer of Funds. The Committee reviewed and discussed the item.

During the discussion of the item, Chair Reiter inquired regarding what is necessitating the transfer to the Managed Care accounts. Mr. Akpan responded that the Managed Care accounts have reached their appropriation limit; this transfer will allow movement of appropriation authority from the CCH (provider) accounts to the Managed Care accounts, so external claims can be paid from the Managed Care side. As a fund within the Health Fund, based on Board approval, the administration is allowed to move appropriation authority within the Fund; there is room on the provider side and that is being moved to the Managed Care side. The organization will remain within its appropriation limits within the Health Fund.

Chair Reiter inquired whether this amount is sufficient to cover this, based on current projections. Dr. Shannon responded affirmatively; he noted that another transfer may be needed before the end of the fiscal year.

Director Deer, seconded by Director Munar, moved the approval of the proposed Transfers of Funds. THE MOTION CARRIED UNANIMOUSLY.

**At the Board of Directors Meeting on September 27, 2019, when considering the Minutes of the Finance Committee Meeting of September 20, 2019, a substitute Transfer of Funds was accepted, considered and approved by the Board.**

#### **D. Proposed Resolutions regarding CCH bank accounts (Attachment #3)**

- i. Proposed Resolution to open a new Cook County Health bank account at JP Morgan Chase Bank for Petty Cash – Managed Care for John H. Stroger, Jr. Hospital of Cook County
- ii. Proposed Resolutions updating signatories for Cook County Health bank accounts held at JP Morgan Chase Bank:
  - a. Accounts for John H. Stroger, Jr. Hospital of Cook County
    - Restricted Grant Funds Account
    - Physician Services Account
    - General Fund Account
    - Petty Cash Account
    - Patient Trust Fund
    - Miscellaneous Refund Account
    - Patient Refund Account
  - b. Accounts for Provident Hospital of Cook County
    - Provident Hospital
    - PHCC Petty Cash
  - c. Account for Oak Forest Health Center
    - Depository Account

Mr. Akpan provided an overview of the proposed Resolutions regarding CCH bank accounts. The Committee reviewed and discussed the items.

Director Munar, seconded by Director Deer, moved the approval of the proposed Resolutions regarding CCH bank accounts. THE MOTION CARRIED UNANIMOUSLY.

#### **E. Any items listed under Section III**

**IV. Report from Chief Procurement Officer** (Attachment #4)

- A. Report on Minority and Women-Owned Business Enterprise (M/WBE) Participation**
- B. 3<sup>rd</sup> Quarter FY2019 Report of Purchases made under the authority of the Chief Executive Officer**
- C. Report of emergency purchases**

Mr. Jones provided an overview of the two (2) reports presented for the Committee's information. The Committee reviewed and discussed the information.

There were no emergency purchases reported.

**V. Report from the Chief Financial Officer** (Attachment #5)

- **Metrics**
- **Financials: July 2019**

Mr. Akpan provided an overview of the metrics and Financials through July 2019. The Committee reviewed and discussed the information.

The Committee discussed the FY2020 Preliminary Budget and Impact 2023 Financial Forecast, which was approved by the CCH Board on September 13<sup>th</sup> and is expected to be presented to the Cook County Board for their approval on September 26<sup>th</sup>. Once approved, it will be incorporated into the President's proposed FY2020 Budget, which is then presented to the Cook County Board for approval, following departmental and public hearings.

Chair Reiter requested that staff provide a detailed breakdown of the preliminary budget that goes a couple of levels deeper than what was included in the presentation that the CCH Board received on September 13<sup>th</sup>. He would like this information to be circulated to the Finance Committee. He noted that, as staff and Directors go through working with the Commissioners on getting to a final budget, there may be adjustments made along the way; he recommended that the Directors be informed if that happens, so the Board can see how things are trending or changing.

During the discussion of revenue sources, Director Gugenheim mentioned the recent payment from the State for medical education; she inquired whether this is the only new revenue source that the organization has received in a long time. Mr. Akpan responded affirmatively, but added that the only question is, are those additional dollars? Essentially, it is a straight pass-through, but there is an adjustment to the CountyCare rate. He noted that there is some benefit to having a straight payment to the organization, but there is certainly an impact on the CountyCare rates.

Director Deer asked how much the State currently owes CCH. Mr. Akpan estimated that they owe CCH approximately \$200 million; he will provide the exact amount after the meeting.

During the discussion of slide 20 of the presentation, regarding CountyCare-Observations and CCH Reimbursement Rates, Mr. Akpan stated that \$97 million comes to CCH as a provider from CountyCare. It is important to note that the administration is moving CCH reimbursement rates to 100% of Medicaid rates, so this is the same rate that would be paid to any other provider. Those changes have been reflected in the current financial statements. Going forward, CountyCare will adjust its reimbursement rates anytime that the State changes per-member per-month rates for CountyCare.

**VI. Adjourn**

Chair Reiter noted that the meeting time for the remaining Committee Meetings in 2019 is changing; the meetings in October, November and December will be held at 9:00 A.M., instead of 8:30 A.M.

As the agenda was exhausted, Chair Reiter declared the meeting ADJOURNED.

Respectfully submitted,  
Finance Committee of the  
Board of Directors of the  
Cook County Health and Hospitals System

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
Robert G. Reiter, Jr., Chair

Attest:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
Deborah Santana, Secretary

Follow-up / Requests:

- Request: Request made that the Committee be notified when the letters for the pending contractual requests are received from Contract Compliance reflecting compliance with the County's Code on M/WBE goals, and provide details associated with each of the letters. Page 1
- Request: Request made for a detailed breakdown of the preliminary budget that goes a couple of levels deeper than what was included in the presentation that the CCH Board received on September 13th. Page 3
- Follow-up: Information to be provided regarding the exact amount that the State currently owes CCH. Page 3